GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Extension of certain incentives under Industrial Development Policy 2015-20 to M/s. Arrow Cables Limited to their manufacturing unit of all Power Distribution Products near Nuzivid in Krishna District with an investment around Rs. 510 crores over two phases – Orders- Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.120 Dated:26 -08-2016.
Read the following:-

(1) From the Director, M/s. Arrow Cables Limited, representation dt:13.06.2016 and email dt:23.05.20165 and 21.07.2016.
(2) Empowered Committee of Secretaries Meeting held on 20.06.2016.
(3) State Investment Promotion Board Meeting held on 08.07.2016.

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O R D E R

In the reference 1st read above, M/s. Arrow Cables Limited have informed that they intended to invest around Rs. 510 Crore in manufacturing of all Power Distribution Products, employing around 400 persons to be setup near Nuzivid in Krishna Dist over two phases and has requested for the following benefits:

(i) Stamp Duty, Transfer Duty and Registration Charges, Mortgage for bank limits are to be waived for the lease for entire lease period.
(ii) Land 50 Acres required on Lease Basis for 99 years in a well developed Industrial Area/Belt, Surrounding Nuzivid, Krishna Dist. Alternatively, if the Land is offered for Outright Sale then we are ready if the price is reasonable and acceptable for us.
(iii) All departmental Approvals/Clearances like Power, Factories Act, Industrial Licence, Pollution Control Board, Town Planning, Fire etc shall be given under the Single Window Scheme in a time bound manner.
(iv) Sublease of Land to our group / ancillary units shall be permitted, within 99 years of total lease period (Only in case of lease).
(v) Sales Tax / VAT / GST liabilities are to be deferred for 20 years. The repayment of the same shall be started from 21st Year for 1st year Assessed Liability and henceforth similar to the incentive have already been provided for 14 years in Target 2000 Scheme
(vi) Income Tax Exemption be allowed for 10 years
(vii) Power rebate to the extent of Rs 2 per Unit of the energy charges for a period of 10 years which shall be deducted in the Power Bill each year.
(viii) Service Charges and Development Charges for power connection are to be deferred for 10 years on installment basis.
(ix) Requested for Marketing Assistance to the unit as the products are supplied to the Power Utility Companies in the State. Hence they requested the following preferences:
    (a) 15% price preference over the outside state units
    (b) Quantity preference to an extent of 50% to the local units of the Tendered Qty.
    (c) Earnest Money Deposit / Security Deposit Exemption be given in all the Tenders of the State Government Companies / Corporations / Departments etc.
    (d) Performance Guarantee shall be exempted on orders placed by the State Government Companies /Corporations / Departments etc to local units.
    (e) All qualification requirements for their products are to be exempted in tenders called by the State Government Companies /Corporations /Departments / approved vendors etc to local units, considering their unit as new.
(x) Reimbursement of Interest Subvention to the extent of 6% p.a. on Term Loan shall be applicable for a period of 10 years.
(xi) 15% Investment Subsidy on the approved project cost with maximum ceiling limit of Rs 50 Crores.

(P.T.O)

2. In the reference 2nd read above, the Empowered Committee of Secretaries has discussed the proposal of M/s. Arrow Cables Limited in detail and has recommended the following incentives/benefits for the unit to the SIPB:

(i) To consider it as a Mega Project under Industrial Development Policy 2015-20, taking into account the investment planned over a period of 5 years in two phases, as a special case. However, the special incentives will be made available to the unit subject to the condition that the unit should invest a minimum of Rs.500 Crore by March 2021, failing which whatever special package of incentives utilized will be adjusted in the future claims / recovers from the unit.
(ii) Reimbursement of 100 % VAT&CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.
(iii) All other benefits as per Industrial Development Policy (IDP) 2015-20.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) has discussed the proposal of M/s. Arrow Cables Limited in detail and decided to extend the following incentives:

(i) To consider it as a Mega Project under Industrial Development Policy 2015-20, taking into account the investment planned over a period of 5 years in two phases, as a special case. However, the special incentives will be made available to the unit subject to the condition that the unit should invest a minimum of Rs.500 Crore by March 2021, failing which whatever special package of incentives utilized will be adjusted in the future claims / recovers from the unit.
(ii) Reimbursement of 100 % VAT&CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.
(iii) To permit sublease of land to group / ancillary units, within 99 years of total lease period, subject to condition that Parent company should have Majority share.
(iv) All other benefits as per Industrial Development Policy (IDP) 2015-20.

4. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby consider manufacturing unit of all Power Distribution Products by M/s. Arrow Cables Limited near Nuzivid in Krishna District with an investment around Rs. 510 crores over two phases employing around 400, as Mega Project under Industrial Development Policy 2015-20 and extend the following benefits/incentives :

(i) Reimbursement of 100 % VAT&CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.
(ii) To permit sublease of land to group / ancillary units, within 99 years of total lease period, subject to condition that Parent company should have Majority share.
(iii) All other benefits as per Industrial Development Policy (IDP) 2015-20.

5. The above, sanctioned special incentives will be made available to the unit subject to the condition that the unit should invest a minimum of Rs.500 Crore by March 2021, failing which whatever special package of incentives utilized will be adjusted in the future claims / recovers from the unit.

6. The Director of Industries, Andhra Pradesh, Hyderabad /Vice Chairman and Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, Andhra Pradesh, Hyderabad.

(contd.)

Vice Chairman and Managing Director, Andhra Pradesh Industrial Infrastructure Corporation
M/s. Arrow Cables Limited through the Director of Industries, Andhra Pradesh, Hyderabad.
Copy to:
The Finance (FMU-Rev.IC)Dept.,
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Vice Chairman & Managing Director, APIIC, Hyderabad.
The Collector & District Magistrate, Krishna District.
The General Manager, District Industries, Centre, Krishna District.
The Zonal Manager, A.P.I.I.C., Krishna District.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED::BY ORDER//

SECTION OFFICER